

CITY OF MINNEAPOLIS
CONVENTION CENTER
2007-2011 BUSINESS PLAN

JANUARY 2007

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WHO ARE WE?

MISSION

The Minneapolis Convention Center is the national convention and trade show venue of the State of Minnesota. By hosting events and offering a variety of services, the Minneapolis Convention Center showcases and provides economic benefit to Minneapolis and the surrounding region.

We will provide an exceptional product, in a safe environment, while maintaining the integrity and financial health of the facility.

VALUES

Quality Product

- Providing high quality products at a fair price
- Partnering with organizations which share our commitment to quality
- Reviewing our offerings and quality of delivery regularly to ensure first-choice recognition

Safety

- Protecting the safety of all who enter the Minneapolis Convention Center
- Creating an atmosphere where employees, customers and guests understand and participate in developing a safe environment for all to enjoy

Respect for All/Diversity

- Respecting the unique qualities that make each individual special and important
- Reflecting the diversity of our community, our customers and guests in the people and culture of our organization
- Listening before speaking
- Working with others, not around them

Responsibility with resources.

- Protecting the health of our fund through sound business practices and carefully calculated risks
- Looking for efficiencies at each opportunity
- Innovating new business lines that improve our offering and cash flow

Accountability

- Holding ourselves accountable first, others second
- Constructively questioning what we do not understand
- Owning our responsibility to participate in making our Convention Center a better place for ourselves, our customers and our guests

Integrity/Trust/Ethics

- Holding ourselves to a standard which equals or exceeds our expectations of others
- Looking at each new situation with an open mind

BUSINESS LINE DESCRIPTIONS

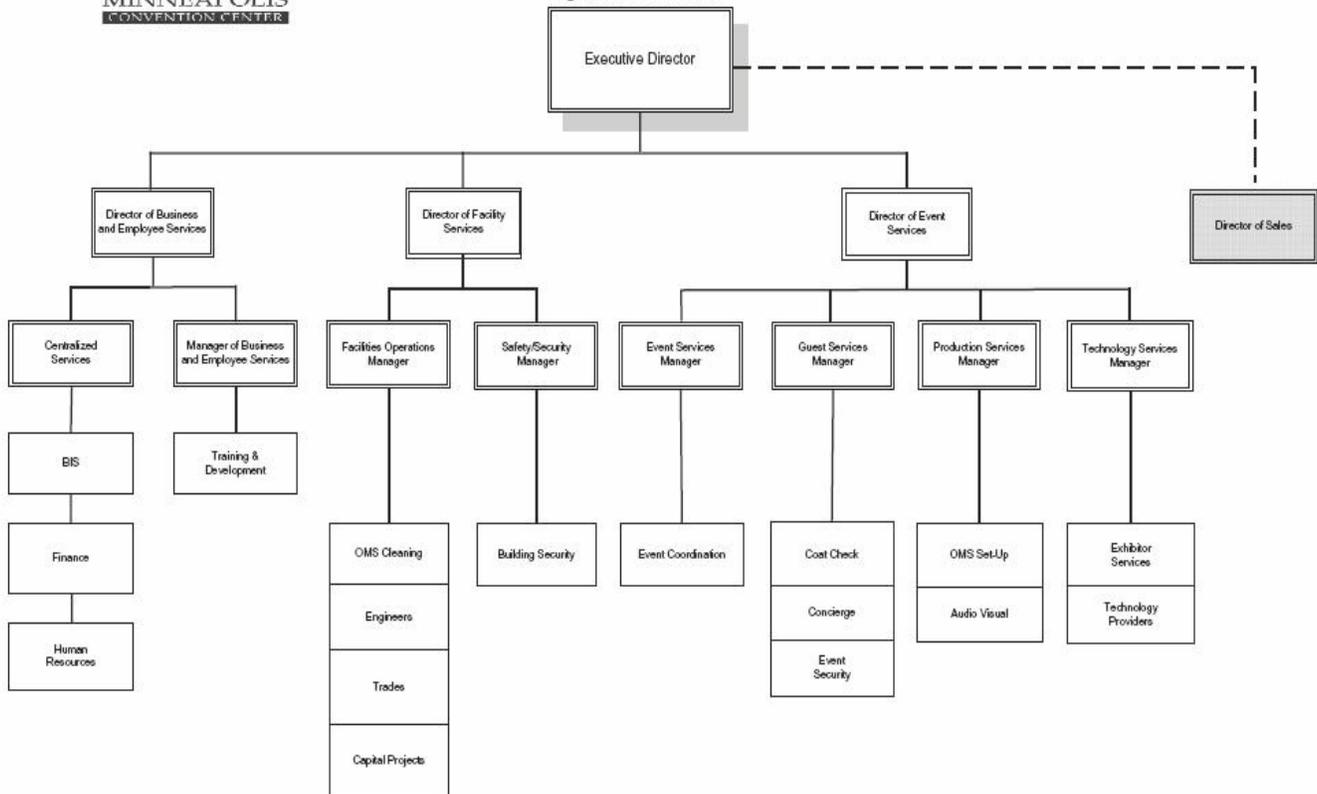
The Convention Center has identified four primary business lines. The area of Business and Employee Services has grown from a background role to the forefront as we develop two of our primary resources. This new fourth business line recognizes the critical nature of our human resources (our employees) in the success of our business processes.

- **Event Services** - is responsible for providing an exceptional product through the coordination of both in-house departments and contracted services for these major event activities: Guest/Patron Services, Show/Client Services, and Exhibitor Services. Event Services coordinates the areas of production, set-up, event coordination, and guest needs
- **Facility Services** – ensures that sufficient building, safety and capital resources are available to maintain world-class facilities for our customers. Proper maintenance, contract management and capital planning are keys to maintaining a world-class facility. Facility Services coordinates the areas of safety and security, parking and marshaling operations, building and grounds maintenance, capital project planning and management as well as custodial operations.
- **Sales and Marketing Services** - provides the first point of contact for all business. This group is responsible for providing information about the facility, identifying and attracting events, maintaining relationships, and gathering data on how the MCC serves customers. The majority of these services are provided through our partnership with Meet Minneapolis in coordination with the Convention Center's Executive Management Team.
- **Business and Employee Services** – This newly identified area is the result of a growing need for depth and sophistication in the business reporting requirements for our executive management team as well as a response to shortcomings in our employee relations and employee development areas identified in our organizational assessment. Although this area is traditionally not emphasized in the City workforce, we are at a point where our labor force must be fully appreciated, fully developed and fully utilized to move us to the next level of customer service. Appointing a director to drive this business line is critical.

ORGANIZATION CHART



Minneapolis Convention Center Organizational Chart



**DEPARTMENT GOALS, OBJECTIVES AND MEASURES
(ALIGNED WITH CITY GOALS AND STRATEGIC DIRECTIONS)**

City Goals & Strategic Directions	Department Goal	Objectives	Measures
A safe place to call home, safer downtown A Premier Destination	Provide a safe and secure experience for all		
		Convention Center staff & events have adequate security.	Increase perceived safety rating on client survey
		Emergency Response is coordinated efficient, and effective.	General Evacuation Drill Elapsed Time.
		Employees work in an environment which is free from hazards to their health or safety	Cash value of injury claims and losses
			Lost days due to injury
			# of safety issues identified and corrected by Convention Center Employee/Management Safety Committee

Leverage our entertainment edge Retain and grow business One Minneapolis	High Quality Product & Services		
		Show managers and exhibitors receive clear, concise, relevant information when they need it.	Customer survey overall rating
		Maintain and upgrade clean, functional, competitive facility	Customer survey appearance rating
			% of completed planned capital projects
		Clients, employees, and guests with limited English proficiency are readily able to access Convention Center services.	Utilization of translation services

City Goals & Strategic Directions	Department Goal	Objectives	Measures
Retain and grow business Economic engine A Premier Destination	Optimize Business Processes		
		Manage and contain cost factors to limit annual expenditures	% growth of non-event expenses budget
		Improve level of operational self-sufficiency	% of self-sufficiency revenue/direct operating expenses
		Refine client contracting and invoicing processes	Reduce outstanding Accounts Receivable
		Increase utilization of MCC on-line services	% of exhibitor on-line orders Web site utilization numbers

One Minneapolis A Premier Destination	Maximize utilization of facility and services		
		Increase public exposure and use	Total Attendance Total Occupancy
			Auditorium Occupancy
			Local Media Coverage
		Increase facility utilization in local, corporate and national markets	Market breakdown
		Guests, exhibitors, and clients have a variety of parking options.	Client survey ranking for parking
			Annual Parking Revenue
		Explore feasibility of a Center for Human Performance/Learning Lab	Research Document
			Feasibility Study
			Technical/Financial Assessment

City Goals & Strategic Directions	Department Goal	Objectives	Measures
Economic engine One Minneapolis Education Leverage our entertainment edge	Provide a positive work environment		
		Employees work in a positive environment which encourages their growth and development.	MCC Climate Survey Gap Analysis
		Workplace is free from harassment and retaliation	# of Respect in the Workplace complaints filed with Central HR and # substantiated
		Employees have the opportunity to continually improve and develop skills.	% of Employees with completed employee review during year and with complete development plan.

HOW ARE WE GOING TO GET THERE?

TACTICS AND DEPARTMENT INITIATIVES (ALIGNED WITH DEPARTMENT GOALS AND OBJECTIVES)

Department Goal	Objectives	Tactics & Initiatives
Provide a safe and secure experience for all		
	Convention Center staff & events have adequate security.	Monitor contract compliance for new House and Event security vendors
		Install card access systems on priority doors
		Technology Services to review existing security systems for latest technology
	Emergency Response is coordinated efficient, and effective.	Update and review MCC Emergency Response plan Include Pan-flu and COOP planning
		Regularly scheduled drills on all aspects of the emergency plan
	Employees work in an environment which is free from hazards to their health or safety	Review Job Safety Analyses (JSA) Increase focus on loss reports and OSHA 300 logs
		Green cleaning solutions reduce VOCs for workforce
		Additional annual safety training and modules in MCCU

Department Goal	Objectives	Tactics & Initiatives
High Quality Product & Services		
	Show managers and exhibitors receive clear, concise, relevant information when they need it.	Implement (EIP) Enterprise Integration Package for Convention Center
		Integrate EIP with City financial enterprise application
		Upgrade/update web site with defined user group pathways
		Electronic work order system
		Participate in EIM initiatives for project management
		Explore alternate methods to provide exhibitors with information and product offerings
	Maintain and upgrade clean, functional, competitive facility	Implement computerized PM system
		Maintain effective capital expense funding. Continue capital plan as identified in Long Term plan
		Hire project supervision position in Facility Operations to manage increasing capital project load
		Continue finish upgrades to public spaces
		Terrazzo maintenance program
		Upgrade services with appropriate technology services for client/public use
		Concrete floor maintenance program
	Clients, employees, and guests with limited English proficiency are readily able to access Convention Center services.	Offer translation services at the Visitor Information Center
		Acquire translators for client/event meetings
		Increase quantity of symbolic signage, Exhibitor Services, Visitor Information Center
		Develop room-set library of drawings to allow diagrams for all room sets

Department Goal	Objectives	Tactics & Initiatives
Optimize Business Processes		
	Manage and contain cost factors to limit annual expenditures	Implement energy management sensors and reporting for steam, chilled water and electrical
		Implement compactor load monitoring
		Labor cost tracking, part of enterprise information package
		Implement alternate floor care methods
		Enforcing event personnel guidelines for door monitoring in adverse weather
		Implement and track AC charges for client use during move-in
		Review and evaluate technology devices in use
		Increase frequency of valve inspection schedule and utilize in-house staff to remain on preferred rates with property insurance
		Utilize technology for appropriate paperless applications
		Use of flexible part-time labor force to reduce OT expenditures for event labor
	Improve level of operational self-sufficiency	Cost-containment initiatives detailed above
		Seek sponsorship for a learning lab (Center for Human Performance) as well as wireless and video monitor systems
		Increase sales focus on corporate market
		Continue to develop additional ancillary revenue sources
		Utilize Technology Services to explore future revenue sources for events
	Refine client contracting and invoicing processes	Model contracting guidelines on industry standards & best practices
		Improve pre-qualification of customers
	Increase utilization of MCC on-line services	Provide direct on-line ordering
		Explore on-line ticketing
		Develop on-line advertising packages

Department Goal	Objective	Tactics
Maximize utilization of facility and services		
	Increase public exposure and use	Develop a Public Show sponsorship package
		Explore on-line ticketing
		Redesign MCC web site
		Partner with Communications to increase positive media exposure
	Increase facility utilization in local, corporate and national markets	Develop effective management reports to allow focused sales efforts
		Continue to work with Meet Minneapolis to attract new business and grow market penetration
		Pursue local and industry involvement
		Monitor competing facilities for potential business
	Guests, exhibitors, and clients have a variety of parking options.	Modify web site for easy access to parking information
		Identify alternate off-site marshalling as City property comes in and out of inventory
		Renew contracts with State Fair and the Metrodome for off-site parking
		Increase number of client options for sponsored parking programs
	Explore feasibility of a Center for Human Performance/Learning Lab	Conduct research on like facilities nationally and world-wide
		Partner with local medical community to determine the feasibility
		Develop a technical and financial assessment of the available space

Department Goal	Objective	Tactics
Provide a positive work environment		
	Employees work in a positive environment which encourages their growth and development.	Create Business and Employee Services division
		Continue MCCU and Employee Development committee
	Workplace is free from harassment and retaliation	Supervisory training & coaching
		Continue annual diversity and respect in the workplace training
		Identify employee representative for complaints and concerns (investigate as part of Business and Employee Services)
	Employees have the opportunity to continually improve and develop skills.	Increase annual performance evaluation completion rate to 100% Include development plans in 100% of performance evaluations
		HRIS upgrade for personnel reports
		MCCU and Development committee will seek opportunities for professional certification at all staff levels

KEY ENTERPRISE INITIATIVES (COMMUNITY ENGAGEMENT, SUSTAINABILITY PLAN, LEP & EIM)

COMMUNITY ENGAGEMENT

The Convention Center has not had specific departmental requirements for community engagement. We do have several substantial initiatives to achieve community involvement and contribute to community outreach efforts.

- Project Homeless Connect – This combined City-County effort has been launched in Minneapolis in coordination with the National Project Homeless Connect initiative sponsored by the United States Interagency Council on Homelessness.

In conjunction with the Project, the Convention Center welcomes homeless men, women, children and youth to attend an event twice annually. They are offered a variety of resources, such as housing providers, employment specialists, medical care, mental health care, benefits specialists, eye doctors, haircuts, transportation assistance, food and clothing.

We hosted one event in the 2005/2006 winter season and will host two per year going forward.

- Partnership with Minnesota Resource Center – The Convention Center joined this group in 2006 and we hold a seat on the Business Advisory Council to provide guidance and prepare job opportunities for persons with barriers to employment. We are working to create new training and education programs that will enable placement both with the Convention Center and City as well as employers in the metro area.
- Web site – The existing web site is under reconstruction and will reappear 1st Quarter 2007 with redesign for ease of access by attendees, the public and show management. This will increase the information available regarding local events, parking and building functions.
- An evaluation of appropriate Community Engagement will take place in 2007 as one of the early initiatives for the Director of Business and Employee Services. That position or its designee will function as the department CE Coordinator. We anticipate this will include programs with Meet Minneapolis, the Downtown Council, local business owners and other stakeholders. Initial efforts currently include client and guest surveys and involvement with positions on the boards for both Meet Minneapolis and the Downtown Council (including the Skyway Committee).

SUSTAINABILITY PLAN – PHASE II DEPARTMENT

Best Practices

On the environmental front; the Convention Center encourages employee use of bicycle transportation by providing indoor locked storage monitored for security. Our Facility Operations Manager is active on the City's Green Operations team, providing a leading role in recycling efforts (food waste, cardboard, metal/glass/plastic/paper mixed-stream). The MCC Facility team is actively working to reduce environmental impact through the purchase of greener cleaning supplies, developing alternate cleaning methods and purchasing cleaning machines that reduce or eliminate hazardous chemical in the work environment as well as the waste stream. We are on a phased plan to replace all floor-care equipment with new minimal water and low-use chemical injection technology machines.

From a social perspective, the Convention Center provides an annual home for Step-Up interns. We also host a health fair for employee health issues as well as supporting employees in the walking program with pedometers and time to attend sessions related to these efforts. We will continue to host Project Homeless Connect, possibly increasing participation to twice yearly.

On the economic front, our Facility Operations department developed a new program as part of our environmental responsibility that provided several events with options for purchasing wind credits based on their energy usage while in the facility. We are also currently reviewing MCC positions for compliance with new living wage initiatives and will adjust pay rates in conjunction with Labor Relations as applicable.

New Activities

Energy Management:

Affected Sustainability Indicator(s): Carbon Dioxide Emissions, Air & Water Quality

Description of Activity: Recommission facility and systems; identify projects to implement (2007). Implement energy monitoring software for steam, chilled water and electrical usage (2007)

How will you evaluate success? Commissioning will produce a list of initiatives along with environmental impact and financial analysis. Completion and receipt of the report will happen in 2007. Project review and identification will produce the final group for implementation (2008-2009). The success of the energy monitoring project will first be measured by the implementation of the monitoring software and sensors (2007). Energy management practices and philosophy will be reviewed and modified during that year, producing written changes to practice and policy. Energy usage for equivalent event/weather load will decrease and be measured (2008).

Floorcare:

Affected Sustainability Indicator(s): Carbon Dioxide Emissions, Air & Water Quality

Description of Activity: Floor care machines will begin to change out to low water/low-use chemical injection (2006-2007). As we progress through the next 5 years, all future machines acquired will meet the same green standards. All cleaning products used for floor care (as well as all other cleaning products) will be green certified (already in place). Terrazzo and concrete floor surfaces will be repaired and refinished, resulting in a surface that requires minimal cleaning product to service and eliminates the need for petroleum based solvent, sealers and waxes. Repair and refinishing will start in 2007 and is expected to be a 2-year project. Project RFP due out 1st Quarter 2007.

How will you evaluate success? Acquisition of machines. Decreased ordered quantity and expense with new products used for floor care. Floor refinishing will be measurable as square feet completed, followed again by reduced quantity and expense for care products.

Livable Wage:

Affected Sustainability Indicator(s): Workers earning a livable wage

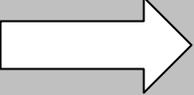
Description of Activity: Complete review of current positions with HR for compliance. Work with Labor Relations to incorporate into wage scales and negotiated contracts as applicable to comply. Incorporate livable wage standard into RFP specifications for all contracted services.

How will you evaluate success? Final report from review. Payroll records for any positions that change. All RFP requests starting in 2006 have been reviewed for inclusion of livable wage language for years going forward (2007 and on). Contractors will supply certified payrolls for inspection as requested to ensure compliance.

LEP

The Convention Center completed an LEP plan in 2005. We are operating with a designated LEP coordinator as well as a management liaison on a newly created LEP employee committee. The committee is the primary driver of priorities for initiatives and identification of needs on an on-going basis.

Currently the MCC LEP Committee is working to identify Event and Sales materials that require translation. Employee documents are under review to identify appropriate materials to translate. Signage going forward is complying with the initiative. We will review existing signage and prioritize for updating during 2007.

STRATEGIES 	OBJECTIVES 	ENTERPRISE ACTIVITIES STATUS REPORT (2006-2007) 
Integrate practices of language access into operations of every City department	Build awareness about legal mandates of language access services in each department	<ul style="list-style-type: none"> ▪ Designated department LEP liaison ▪ Defined liaison responsibilities ▪ Established MCC LEP Committee. Meeting monthly
Define protocols and service activities for language access compliance in each department	Provide notice to limited English speakers of their right to free service	<ul style="list-style-type: none"> ▪ Initial Signage Review ▪ Convert training materials to pictorial format (10%) ▪ Change Set-up instructions to diagrams (25%) ▪ Web site redesign (25%)
	Identify the LEP persons living in Minneapolis and the City services they use	<ul style="list-style-type: none"> ▪ Completed service gap analysis ▪ Translation services in-place and tracked for utilization
	Offer free, timely spoken language interpretation services for LEP individuals	<ul style="list-style-type: none"> ▪ Provide all translation services through external vendor (in place) ▪ Set up telephonic interpreting account (in place) ▪ Departments have individual interpreted material as needed
	Provide free written language translations of vital documents	<ul style="list-style-type: none"> ▪ Document review (50%) ▪ Provide on-demand document translation as needed (in place)
	Hiring to meet multilingual needs	<ul style="list-style-type: none"> ▪ Integration of multilingual skills into job descriptions (0%)
	Train to ensure that City staff is familiar with legal mandates and best practices for serving LEP individuals	<ul style="list-style-type: none"> ▪ Orientation material includes LEP initiatives (completed) ▪ Incorporate LEP into annual training program (completed) ▪ CityTalk is available to 38% of MCC workforce

EIM

The Convention Center is well into meeting the department's EIM goals for 2007. We have selected an EIM representative who is working with all departments in order to incorporate EIM requirements in current and upcoming projects and day to day activities.

We have undertaken two large technology projects that correlate with EIM goals and benefits. The projects are the: **Time and Labor Management** project and **Exhibitor Services On-line Ordering** project. To start the Time and labor Management project; BIS Project Management is currently providing guidance to Convention Center staff in our pursuit of a paperless payroll system, personnel job task assignment system, labor capturing system, and integration of our work order system. By making these tasks paperless, we feel that our decision makers will have better on-demand data and our payroll staff will be able to spend more time answering difficult payroll questions instead of inputting and storing data.

The Exhibitor Services On-line Ordering project will be integrated with the redesigned Convention Center website. Paperless ordering of Exhibitor Services products will allow the department to comply with new stringent credit card regulations, data privacy regulations, a streamlined accounts payable process, and provide better information to the staff to complete their job tasks.

Throughout the above projects we will use EIM best practices to provide better efficiencies and information for the Convention Center in order to service our customers' needs in a changing and competitive environment.

EIM Plan

DEPARTMENT ACTIONS				STATUS (TO BE FILLED IN JUNE 2007, 8, 9,10 AND 11)
ACTION AREA	2006	2007	2008-2011	
STRUCTURE AND STAFFING	Sue Colby designated department EIM Representative	Identify Subject Matter Experts	Reflect EIM commitment in organizational changes and position descriptions	
BUSINESS PLAN	Developed initial EIM plan	Incorporate EIM initiative into Business Plans Align resource plans to support Incorporate EIM commitment in organizational changes		
PROJECT PLANNING	Identified current projects	Complete Project Inventory Table identifying all EIM projects Apply EIM standards to all projects going forward Incorporate funding into all projects for EIM		
TRAINING	Identified staff for EIM training	Train assigned staff Supply subject matter experts for training		
COMPLIANCE (ASSESSMENT, INTEGRATION, EVALUATION)	Assigned staff to participate in audits and assessments	Complete Department Risk Assessment/Gap Analysis Complete annual EIM progress reports Complete periodic audits		

WHAT RESOURCES ARE WE GOING TO USE? (FINANCE PLAN, WORKFORCE PLAN, TECHNOLOGY PLAN AND EQUIPMENT AND SPACE PLAN)

FINANCE PLAN

INTRODUCTION

Operating revenues are generated directly by the Convention Center. Ancillary services and space rental are the two largest sources of revenue for the Convention Center. Operating revenues also includes equipment rental and space rental of the Tallmadge Building. Charges for ancillary services are earned in support of space rent and consist primarily of utility, labor services, and ramp parking. The Convention Center also receives commission from Kelber Catering Inc. for food and beverage sales.

The Convention Center has identified four primary business lines: Event Services, Facility Services, Sales and Marketing, Business and Employee Services. The area of Business and Employee Services is new and the need has grown from a background role to the forefront as we develop two of our primary resources to be competitive in the future: our employees (our human capital) and our business processes.

Projections show a downward adjustment of revenue expectations. The revenue shortfalls can be directly attributed to under-utilization of the facility by corporate events. In the long-term booking picture, 2007 and 2008 are somewhat flat compared to 2005, and for advance bookings for 2009 and out. There is a very recent trend toward very short-term booking and last minute pick up of space as events go definite.

The Meet Minneapolis Sales staff has a variety of targeted efforts planned to address the corporate market. The management of the Convention Center has attempted to hedge revenue shortfalls by bringing new revenue producing services on-line and will continue to increase the number and availability of new services; particularly through the new Technology Services department. Meet Minneapolis is working to re-direct sales efforts in the Corporate market to capture this trend.

Cost containment has remained a priority for the Convention Center management team. Prudent stewardship of the facility and the Convention Center Fund will drive policy decisions over a wide basis that impact cost containment in many areas other than maintenance of the structure itself. These strategies include:

- Proper operations and increasing risk management will lower or contain our property insurance rates.
- Managing client expectations and utilization of the diverse areas of the facility will improve our energy usage efficiency.
- Proper training and development of our workforce will reduce wear and tear on the facility and equipment along with subsequent reductions in maintenance costs.
- Tracking of client damage and recovery of expenses through damage deposits will offset that portion of maintenance and repair expenses as well as providing incentive to reduce damage.
- Workforce efficiencies in scheduling, shift planning and reductions in non-reimbursed overtime will directly reduce expenses as well as contribute to a healthier more productive workforce.

STRATEGY TABLE

FINANCIAL STRATEGIES	WHICH PERFORMANCE MEASURES WILL CHANGE AND HOW?	SHORT-TERM ACTIONS (ONE YEAR)	LONG-TERM ACTIONS (TWO TO FIVE YEARS)
Capture Labor Costs	Increase revenue and reduce expenditures through better event management and customer billing	Review, select, and begin implementation of software/hardware that offers a solution for integrating actual labor costs incurred with financial reporting	Implement labor costing
Realign Personnel Expenditures to Support Organizational Restructuring	Reduce expenditures through personnel resource reallocation	Shift existing personnel resources to areas which will support Convention Center initiatives in lieu of creating new positions	Monitor and evaluate on an ongoing basis
Improved Labor Management to Accommodate Cyclical Event Loads.	Reduces expenditures through better labor management	Explore alternate staffing strategies and evaluate alternate models of personnel scheduling	Align workforce resources with event loads
Improved Tracking of Building Client Damage.	Reduce expenses and increase revenues through billing customers for building damage in lieu of incurring building repair expenditures	Train operating staff on building damage entry	Monitor and maintain an effective damage tracking and billing system

FINANCIAL STRATEGIES	WHICH PERFORMANCE MEASURES WILL CHANGE AND HOW?	SHORT-TERM ACTIONS (ONE YEAR)	LONG-TERM ACTIONS (TWO TO FIVE YEARS)
Detailed Capital Project Tracking by Individual Job	Improve project expense management	Align project account codes with project scope	More effectively manage capital projects and funds
Management of City Assets Through Development of an Electronic Maintenance and Repair System	Decrease in emergency maintenance expenditures	Implement EBMS CMMS module and train all appropriate personnel	Manage transfer of paper files to electronic Integrate with energy maintenance systems
Increase Use of State Price Agreements	Reduce expenditures through better pricing	Facilitate Convention Center and purchasing staff to share data	Increase use of State price agreements
Revenue Development – Create Additional Ancillary Revenue	Increase revenue	Implement Technology Services initiatives Explore alternate ancillary revenue sources	Integrate ancillary revenue sources into the Convention Centers structure and product mix
Cost Containment	Reduce expenditures	Managers develop individual departmental strategies Begin implementation	Full implementation
Realign Departmental Resources to Fund Technology Services Department	Zero sum initiative	Self funding technology services department Develop long-term revenue sources	Implement long-term revenue initiatives to become a revenue producing department

Financial strategies related to loss prevention			
FINANCIAL STRATEGIES	WHICH PERFORMANCE MEASURES WILL CHANGE AND HOW?	SHORT-TERM ACTIONS (ONE YEAR)	LONG-TERM ACTIONS (TWO TO FIVE YEARS)
Integrate loss prevention philosophy and practices into daily operations	Reduce expenditures	Continue Safety Committee Monitor quarterly loss reports and OSHA 300 log Additional training modules Review written Safety and Health Plan	Create culture of loss prevention ideals at line staff level Change equipment and practices to reflect lessons in loss analysis
Workplace Survey - Hazard Analysis/Prevention	Reduce expenditures Employee climate	Review existing JSAs Rewrite position descriptions and practices as needed Develop effective safety programs	Implement performance goals for Management in this area Review developed programs annually
Accident and Data Analysis	Reduce expenditures – self-insurance fund contribution	Review loss data for trends and exposures Develop effective processes and practices to mitigate hazards	Move accident investigations down to supervisory rank Implement supervisory performance goals for this area
Hazard Control	Reduce expenditures	Develop PM program for all equipment	Implement electronic PM program
Emergency Preparedness	Safety Rating at Work	COOP Program Pan-flu preparation Review Emergency Manual Assign COOP coordinator	Implement COOP planning On-going drills of all emergency programs

FINANCE PLAN TABLE

City of Minneapolis
Minneapolis Convention Center
 Financial Plan (in thousands of dollars)

Description	2004 Actual	2005 Actual	2006		2007 Budget	% Chg from 2006 Budget	2008 Forecast	2009 Forecast	2010 Forecast	2011 Forecast	Assumptions
			Current Budget	2006 Projected							
Operating Revenue:											
Charges For Services	5,000	6,220	5,660	5,660	5,925	4.7%	6,221	6,532	6,859	7,202	Years 2008 - 2011 assumes a 5% growth rate Years 2008 - 2011 assumes 7% growth in 2008, 5% in 2009, 6% in 2010, and 5% in 2011 Years 2008 - 2011 assumes a 2% growth rate Years 2008 - 2011 growth rate assumes 42% of Space Rental revenue Years 2008 - 2011 assumes a 3% growth rate
Space Rental	5,921	6,302	7,000	7,000	5,825	-16.8%	6,233	6,544	6,937	7,284	
Other Rentals	546	565	415	415	465		474	484	493	503	
Food and Beverage	2,564	3,106	2,550	2,600	2,447	-4.0%	2,618	2,749	2,914	3,059	
Other Miscellaneous Operating	130	15	20	8	14	-30.0%	15	15	16	16	
14,676											
Tax Revenue:											
Sales Tax	26,366	27,404	27,701	28,000	28,394	2.5%	29,104	29,831	30,577	31,342	(.5% Citywide sales tax) Growth projections 2008 - 2011 are 2.5% (3% Citywide entertainment tax) Growth Projections are 3% for 2008 - 2011. The tax is not a funding source of the fund but is pledged as a revenue source for the debt service payments. (3% food tax on downtown establishments). Growth Projections are 3% for 2008 - 2011 (3% liquor tax on downtown establishments) Growth projections are 3% for 2008 - 2011 (3% tax Citywide applied to establishments of 50 or more units) - 1/3 of the 3% tax is passed through Meet Minneapolis. Growth is projections are 3% for 2008 - 2011
Entertainment Tax	8,670	9,193	9,109	9,100	9,382	3.0%	9,664	9,954	10,252	10,560	
Restaurant Tax	8,802	9,474	9,248	9,250	9,525	3.0%	9,811	10,106	10,409	10,721	
Liquor Tax	3,432	3,486	3,606	3,600	3,714	3.0%	3,826	3,940	4,059	4,180	
Lodging Tax	4,899	5,506	5,147	5,000	5,301	3.0%	5,460	5,624	5,793	5,967	

Other Non Operating Revenue:											
Transfer From Convention Center Reserve	-	2,531	3,031	3,031	500	-83.5%	1,000	1,000	1,500	1,500	Represents the reserve funding requirement of Convention Center scheduled capital projects to be completed in the calendar year for the Convention Center operation.
Private Contributions to GMCVA			176	176							Pass through revenue offset by expenditure increase to the GMCVA budget. Variable - There could be none for years.
Interest	195	819	422	600	600	42.2%	582	565	548	531	Assumes future earnings decline of 3% per annum.
Total	66,525	74,621	74,085	74,440	86,769	17.1%	75,008	77,344	80,356	82,865	
Expenditures:											
Convention Center Operations	19,936	21,267	22,689	22,008	23,902	5.3%	24,858	25,852	26,886	27,962	Assumes a 4% annual growth rate 2008 - 2011.
Ongoing Equipment and Improvement	1,028	2,933	4,948	4,948	2,260	-54.3%	5,270	5,480	8,376	7,478	Scheduled capital projects to be completed in the calendar year for the Convention Center operation.
MCC Gen Fund OH Pymnt and BIS Operating Charges	976	1,418	1,949	1,949	2,001	2.7%	2,041	2,082	2,123	2,166	Assumes a 2% annual growth rate 2008 - 2011.
Human Resources	58	61	64	64	-		-	-	-	-	Beginning in 2007 Human Resources is included in the General Fund overhead rate model.
Meet Minneapolis	5,022	5,130	4,980	4,980	5,180	4.0%	5,180	5,180	5,180	5,180	Base for Meet Minneapolis Sales and Marketing
Meet Minneapolis - Tax Subsidy	1,633	2,109	2,100	2,100	2,200	4.8%	1,802	1,856	1,912	1,969	Represents a 33% or 1/3 of the annual projected lodging tax subsidy. The subsidy was effective 04/01/02.
Expenditure changes to meet the financial forecast:											
Total	28,653	32,918	36,730	36,049	35,543	-3.2%	39,151	40,450	44,478	44,755	
Debt Service and Other Transfers:											
Transfer to General Fund - Entertain Tax	7,164	7,249	7,482	7,900	7,882	5.3%	8,164	8,454	8,752	9,060	Matched to entertainment tax proceeds.
Transfer to Target Center Reserve	1,506	1,433	1,200	1,200	1,500	25.0%	1,500	1,500	1,500	1,500	Matched to entertainment tax proceeds.
Transfer to Convention Center Reserve	1,150	1,150	1,881	1,881	1,150	-38.9%	1,150	1,150	1,150	1,150	Assumes no annual reserve contribution.

Transfer to Debt Service	13,687	17,456	19,142	19,142	18,810	-1.7%	18,796	18,728	20,150	21,302	Based on actual debt service requirements of Convention Center construction. Fee for computer related services per the ITS workout plan. The amount represents approximately 75% of one System Integrator IV position. Fees for benefits administration & other occupational health services and severance payments related to Convention Center personnel. Based on the actual debt service requirements of the Plaza, Learnington, Hilton, and Orchestra Hall parking ramps. Beginning in 2006, \$1,000,000 operating subsidy was added. The operating subsidy is ongoing. Bonds, fees, etc.
Transfer to Information Technology	66	-	-	-	-		-	-	-	-	
Transfer to Self Insurance Fund	19	-	-	-	-		-	-	-	-	
Transfer to Parking	8,365	8,244	9,565	9,565	9,856	3.0%	9,832	9,858	8,435	7,283	
Difference	37,872	41,703	37,355	38,391	51,226	37.1%	35,857	36,894	35,879	38,111	

LESSONS LEARNED AS A RESULT OF PRIOR FINANCE PLANS?

The Convention Center's potential for increasing revenue lies predominantly in providing additional services to events and careful booking of the event mix.

There is an increasing need for capital investment as the facilities age. One third of the facility is 17 years old and another is 15 years old. The expansion is approaching its 6th year of operation, and an increasing number of building systems will reach their effective life spans in the near term.

We identified the critical nature of cost containment initiatives and monitoring of subsidy, labor costs, and the costs of acquisition of services. As we near the effective upper limit of event load, managing our subsidy will require careful monitoring of cost containment initiatives for labor costs and acquisition of goods and services. Additional relief on the subsidy will require additional customer services as revenue sources.

CONTINGENCY PLANS

Scenario A – 25% reduction in revenue	Reduce variable expenses related to events. Evaluate for the anticipated duration of the revenue shortfall. Fund maintenance and repair items by priority as identifies in the capital plan. Reduce or eliminate improvement project for new services if necessary.
Scenario C – CDBG Elimination	NA
Scenario D - Enterprise fund reductions	Long-term strategy will depend on the nature of the shortfall.
Scenario E – Steadily decreasing fund balance due to decreases in tax revenue and increased fund uses.	High level decision to determine appropriate subsidy. Evaluate appropriate management models for Convention Center operations.
Scenario F – Internal service fund choices	Evaluate appropriate outsourcing for similar services.

WORKFORCE PLAN

The area of Business and Employee Services has grown from a background role to the forefront as the need for developing business processes, diversity, employee relations, and employee talent management has been identified in the department's organizational assessment, the Minneapolis Convention Center survey and the City of Minneapolis survey.

Essential to becoming a premier destination in the convention industry will be the quality of the MCC workforce: as they are the 'face' of the business for customers. Reallocating funds toward employee training and development programs will help increase the quality of the workforce. Partnerships with Minnesota Resource Center and/or other Educational Institutions will improve training of local residents and increase the quality of the labor pool to take advantage of the employment opportunities at MCC. Retirement eligibility needs to be monitored to ensure that no knowledge gaps exist in the future. Shadowing and mentorship programs (detailing a person to a position) will be used to transfer knowledge and address retirement predictions. The new Business & Employee Services Division will contribute to the effective hiring, development, retention, and promotion of MCC employees.

In addition, an analysis of the MCC Management Diversity Summary identified 44 positions/persons in supervisory roles that directly influence the Convention Center workforce on a daily basis. To be competitive in the industry, it is imperative that Manager/Supervisor & Leadership development includes a better balance and understanding of cultural sensitivity. Position vacancies offer an opportunity to utilize the current workforce and to develop diversity strategies. The MCC has created multiple levels of key positions to provide opportunities for their employees to develop within the current system. The Business and Employee Services division will create the Minneapolis Convention Center University (MCCU), Diversity initiatives, and various committees/forums to address climate assessment and to effect cultural changes. Overall, the diversity results compare very well to City-wide results.

The City Employee Survey, the MCC Climate Survey, and the Organizational Assessment were tools used to identify what changes are needed to provide a more positive work environment at MCC. The improvement of interpersonal relationships, conflict resolution, and morale is essential to a positive work environment. Training and development opportunities will promote MCC as a great place to work. Management Leadership enhancements will foster a better balance and understanding of personnel matters including performance management.

The Employee Recognition Committee will continue to address issues identified from the tools listed above. Strategies will be developed to communicate how the Employee Recognition Committee feedback has brought about positive changes in the work environment.

WORKFORCE ACTION TABLE

Key Workforce Objective:	Measurement:	Short-Term Actions (< One Year):	Status: To be completed 2007, 2008, 2009, 2010, 2011	Long-Term Actions (1-5 Years):
Performance Management, including professional development plans	25% increase of annual performance management and development plans completed	- Evaluate current performance management system - Increase management accountability for completion of reviews and development plans (include in their performance appraisal)	2007 & 2008 2006 - 2008	- Review & Revise Performance Management system - Performance Evaluations Complete
Employee Survey Response MCC Climate Survey & Organizational Assessment	2% increase in response rate 5% gap decrease in Overall Satisfaction with Job	- Complete current EE Recognition and Committee Activities. - Identify on-going opportunities thru the surveys and assessment	2007 2007	- Continue EE Recognition activities & implement feedback communication strategies. - Increase MCC Survey participation. - Update MCC survey
Diversity Strategy	Increase the number of identified diversity measures Increase participation in internal diversity opportunities	- Identify diversity opportunities within MCC - Actively pursue and recruit a pool of qualified applicants	2007 - 2011	- Evolve definition of diversity - Determine meaningful and appropriate measures for Diversity - Expand programs for positive impact
Key Workforce Issue #1: Staffing	Decrease the timeline from eligible list to offer date	- Fill key leadership positions - Analyze vacant positions - Complete hiring of vacant positions as they become vacant - Increased internal communications efforts to post and inform employees directly about job openings	2006 2007 2007	- Monitor number of vacancies to determine future staffing needs

TECHNOLOGY PLAN

An integrated solution to tracking expenses and profits on a per-event basis will form the foundation for event analysis in the future. This includes labor costs (time clock system), materials, leased services and overhead. These are all currently in non-integrated systems that require human data transfer and report generation. We are currently working through preliminary steps with industry knowledge base experts to firm up the concept for formal request to BIS. This solution will need to integrate fully with the new City enterprise financial solution.

Our exterior marquees are dated and no longer can be serviced effectively. Replacement is anticipated for 2008.

The Convention Center is partnering with BIS to develop and coordinate wireless access between public space and the Convention Center. We will pursue possible sponsorship opportunities as the City brings the new system on-line.

TECHNOLOGY ACTION PLAN TABLE

Business Technology Need	Desired outcome/result	When	One-time costs	Ongoing Costs	Source of Funding
Enterprise Integration solution	Shared data with all financial applications in City enterprise financial system, producing management reports	2007-2008	\$250,000	\$30,000 per year	Operating Budget
Event Profit & Loss Statements	Accurate reporting of event cost data for event analysis. Works with Enterprise Solution	2008	\$25,000	\$2,000 per year	Operating Budget
Wireless Sponsorship Access	Integrated solution with City wireless and advertising vendors	2007	\$25,000	Minimal/coordination	Operating Budget
Exterior Marquees	Replace aged/outdated Marquees	2008	\$750,000	\$20,000 per year	Explore funding and sponsorship opportunities for initial equipment acquisition and installation. Operating Budget for on-going R&M

SPACE AND EQUIPMENT PLAN

Convention Center Related Artifacts:

The Great City Seal (formerly on the South exterior face of the Auditorium facility) has been stored in Linden Yard since 1986. That will require re-crating and re-location to clear the area for development. The Convention Center has identified the need for 1000 square feet of protected storage for the Seal as well as miscellaneous artifacts contained in that collection. Space will be needed by July 2007.

Changes and Improvements to Existing spaces:

We continue to monitor our storage needs and will alter interior spaces to accommodate changing storage needs. Initial exploration of development plans for completion of the 5000 square feet of meeting space remaining in the Expansion on the Lower Level is underway. This is an excellent location for a future Learning Lab or Center for Human Performance which will provide a feature attraction for national shows as well as greater involvement with the local community. All funding for these initiatives will be contained within the Convention Center fund with possible off-setting funds from naming rights or sponsorship of the Center for Human Performance.

Ergonomics and Furniture Changes:

We continue to work directly with Risk Management for consultation on ergonomics and employee furniture. The Convention Center has adequate annual funding in our Operating Budget to augment existing furniture inventory for additional personnel as well as on-going replacement of aged or out dated furniture.

HOW DO WE MONITOR OUR PROGRESS?

MEASURES, DATA AND TARGETS TABLE

Measure Name	2003 Data	2004 Data	2005 Data	2006 Data	2007 Target	2011 Target
Client Survey Safety Rating Inside the Facility	NA	NA	NA	98.6%	100%	100%
Outside the Facility				94.8%		
Cash Value of Claims and Losses	\$331	\$82,892.77	\$114,000	\$100,000	\$103,500	\$118,750
Lost Days due to Injury	217	21	8	39*	3	0
# of Safety Issues Identified and Corrected by MCC Safety committee	17	26	28	14	25	25
Customer Survey Overall Rating	4.49	4.45	4.42	4.42	4.42	4.5
Parking Revenue	\$122,722	\$370,681	\$383,175	\$375,000	\$380,000	\$403,000
Customer Survey Parking Rating	3.83	3.62	3.72	3.97	4.0	4.5
Customer Survey Appearance Rating (Cleanliness)	4.45	4.50	4.46	4.44	4.42	4.5
Total Attendance	917,821	903,330	784,250	836,000	785,000	884,000
Occupancy	54.80%	55.94%	65.52	61.79%	66%	72%
Occupancy (Auditorium Main)	45.48%	46.17%	48.77	29.66%	49%	50%
MCC Climate Survey Gap – “The MCC is a Good Place To Work”	0.40	0.39	.37	.48	.35	.30
# of Respect in the Workplace Violation Claims Filed with Central HR	3	24	12	6	6	6

* 2 injuries comprise 34 of these 39 days

Measure Name	2003 Data	2004 Data	2005 Data	2006 Data	2007 Target	2011 Target
# of Substantiated Respect in the Workplace Violation Claims	0	1	0	0	0	0
% of Employees who received a performance review during the calendar year.	87.9%	72.3%	65%	90%	100%	100%
% of non-Space Rental Revenue	53.43%	58.17%	61.1%	62%	63%	65%
% of Growth in non-event expenses	10.92%	0.36%	8.12%	-4.24	14.63%	N/A
% of Operating Self-sufficiency revenue/direct operating expenses	65.36%	67.12%	70.89%	66.21%	56.05	N/A

APPENDIX A - KEY TRENDS AND CHALLENGES

1. Additional Capital Funds

Our long-term capital plan identified the need for frequent re-evaluation of market conditions and adjustments to capital funding to accommodate changes in technology and customer expectations.

Software Integration Package (allows work force tracking and costing) \$250,000

Client Rental Equipment \$200,000

Internet Kiosks and Internet Lounge Locations \$50,000

2. CSL Increases over 2006

Utilities: 12.5% additional expense anticipated by utility companies as a result of increased energy costs \$442,875

Training: Additional \$22,000 for initial programs identified by MCCU committee. We anticipate this effort growing substantially as the new positions and focus on employee development comes on board. The remaining majority of these programs and needs will be identified in 2006/07 for inclusion in the 2008 budget.

Director of Business and Employee Services: Salary and benefits estimated at \$110,000

3. Supply and Demand of Space

Recent research from Tradeshow Week shows a slowing growth in the supply of available space has finally allowed slow growth in demand for space to catch up in the market; but with the existing market conditions we expect a move for events from older venues to venues with better services and current amenities.

4. Competitiveness

One external competitive concern is the status of a potential 1,200 room headquarters hotel. Hotel capacity and quality remains one of the top factors identified by show managers in the decision to book in any given city. While Minneapolis has a good number of rooms available in our downtown area, the ready availability of headquarters hotels at competitor sites remains a disadvantage in marketing our venue and is one factor in the slow growth of our occupancy rate.

5. Security Concerns

As we move further from 9/11, the concern level of customers has wavered slightly, and we are beginning to see cost consciousness by customers related to security issues and a desire to ignore or work around security measures.

6. Technology

Applicable technology continues to evolve at a rapid pace and presents many opportunities for growth in services and revenue. To capture this potential market, we have created the Technology Services department. Their charge is to find and capitalize on the many emerging technologies and related services as they develop into saleable products

7. Customer Service Expectations

Customers are continuing to demand even more responsiveness to last minute changes. Many of our customers work from an expectation that we will be able to muster large amounts of labor and/or equipment in a very short period of time. This expectation requires greater flexibility by our organization to deal with last-minute requests.

8. Revenue Development

For the last 5 years, revenue development has been a central theme of our business plan. Initially, we looked at the development of new business lines to offset lower than expected occupancy rates after the completion of the expansion. During the period from 2001 to 2005, we were able to increase our non-rental revenue from 51.5% to 61.1% of total revenue. This enables us to capture more revenue from each event to pay for the additional overhead required to operate a substantially larger and up-to-date facility.

Over the last 4 years, we have captured several of our targeted revenue streams. It is important to maintain balance as we move forward and look towards the development of added-value services. We have consistently attempted to develop services which improve our attractiveness to our central customers; national and regional convention and tradeshow. Those events have historically been more able and inclined to pay premium prices for premium services. However, as we assume more exclusive services, we have to be aware that some of our smaller clients may decide to utilize another option.

At this point, we are seeing relatively flat occupancy rates until 2009. This points to the need to monitor any negative impacts and to use caution as we add future services.

Partnerships may hold the key to our next round of revenue development. With the push to develop the Life Sciences Corridor, we have an opportunity to explore the possibility of developing specialized space in the now vacant 5,000 square foot unfinished meeting room space on the lower level. This could become a Learning Lab or Center for Human performance.

9. Cost Containment

Cost containment has remained a priority for the Convention Center management team. In 2005, we finished the year \$1.2 million under our budgeted expenses; contributing substantially to our fiscal year finish as we under-spent our budgeted subsidy by \$800,000. Projected Expenses for 2007 continue to hold below previous 5-year and long-range plans.

10. Work Environment

People will be the product that sells over the next 10 years. Anyone can build a box and put pretty things in it to attract events. The one thing that will differentiate us from competition, the one thing that cannot be copied, is a successful culture or work environment. To this end, we are dedicating large talent and financial resources to develop a department aimed at improving the areas of employee development and training. This effort is guided directly from the information and feedback gained through our recent Organizational Assessment.

11. Labor Costs

The single largest limitation to controlling labor costs is our inability to adapt our workforce to changing business cycles of the convention industry. We need to develop a labor model to accommodate the “feast and famine” nature of the business.

The impact of the 2% wage cap - We continue to face criticism over maintaining the cap within our facility as we emphasize the impact of our employees’ efforts in moving a projected fund deficit towards a strong year-end surplus. This is especially prevalent with the Teamsters Bargaining Unit.

The impact of compression on mid-level positions – Due to the limited growth in wages, and varying concessions made in labor negotiations, we have several positions at the Senior Supervisor level and lower management levels that are easily passed by lower level positions working a minimal amount of overtime.

12. Branding/Identity/Image

The Convention Center will work with the former Greater Minneapolis Convention and Visitors Association to shape our brand in a manner consistent with the newly defined Meet Minneapolis.

13. Event Infrastructure

The primary concern in this area is the means and methods by which we communicate with each other, clients, exhibitors and guests. It is increasingly important for us to provide an exceptional product and develop new and improved ways of providing information on the front and back end of events in a timelier manner. We must move from a reactionary position to a position where we anticipate client and customer needs prior to their arrival.